

OPENING SPEECH BY THE PRESIDENT

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of the public and especially of the mercantile community. For a better appreciation of the financial implication of this comprehensive project plans and estimates are now under preparation. When the scheme is fully ready we expect to discuss the matter with all the interests concerned and then take a final decision.

TWO TRANSACTIONS.

10. I shall now briefly refer to the two transactions with the Harbour Authorities about which reference was made in the earlier part of my speech. In the current year we have received Rs. 3.37 lakhs as royalty on a portion of the Reclamation ground. This Reclamation ground comprising 337 acres was formed from the annual maintenance dredging operations of the Port Authorities. The reclaimed area is contiguous with the Willingdon Island. The Cochin Government has not incurred any expenditure on this reclamation which was done entirely at the cost of the Port Authorities. This is the only portion of the island the ownership of which had not been settled so far. We allowed the Port Authorities to exercise full rights of ownership over this area on payment of a royalty at the rate of Rs. 1,000 per acre. The amount of Rs. 3.37 lakhs referred to relates to this item. It has been made clear that the exercise of the rights of ownership over this area by the Port Authorities will be subject to the sovereignty and jurisdiction of His Highness the Maharaja. The other transaction referred to relates to the negotiations that are going on between the Governments of India and Cochin about 150 acres on the Willingdon Island. A reference to the first speech that I delivered in this Council in 1935 would enable Honourable Members to understand the terms and conditions on which the original 250 acres of the Willingdon Island were reclaimed. Reclamation of this area was undertaken at the cost of the Cochin Government which paid Rs. 37½ lakhs for this work. One hundred acres of this area which has cost us Rs. 15 lakhs is already in the possession of the Harbour Authorities, and we are getting an annual rental of Rs. 75,000 for this area. Though the terms of occupation of the remaining 150 acres have been settled we have not yet received a single pie of return on the investment of Rs. 22½ lakhs. As a result of a close examination of this question I came to the conclusion that it will be difficult to say when exactly the Harbour Authorities will be in a position to give us an adequate return on this big capital outlay. Taking all the factors into consideration the Cochin Government made an offer to sell this area to the Port Authority at an amount equivalent to the actual cost price of

Rs. 22½ lakhs, plus interest at 3 per cent per annum on this amount from the date when the first instalment was paid by the Cochin Government, plus a royalty of Rs. 1½ lakhs. The negotiations relating to the transaction are now nearing completion and we expect to get from the Port Authority Rs. 28.42 lakhs on this account. This arrangement will enable us to reduce our commitments on the Harbour works to the extent of Rs. 28.42 lakhs, and will also be of real advantage to the Port Authorities. As we have the greatest financial stake in the Port it is to our interest to do everything to maintain the financial solvency of the Port, and from this point of view the arrangement is one which is beneficial to both the parties. If the scheme finally comes through, the Government of India will lend this amount to the Port Authorities in order to enable the latter to pay the purchase money to the Cochin Government. As in the case of the other areas comprised within the port limits, this sale also will be subject to the sovereignty and jurisdiction of His Highness over this land.

COMMUNICATIONS.

11. The work on the two big schemes of waterway communications, namely, the Appankat Canal at Narrakkal and the Shanmukham Canal at Irinjalakkuda has been undertaken during the current year. The land acquisition for the former work has been completed, and according to the original understanding arrangements are being made with the people to secure their co-operation for digging the canal. An estimate amounting to Rs. 1.80 lakhs has been sanctioned for the construction of the Shanmukham Canal. The land acquisition proceedings are going on briskly. An understanding has been reached with the Irinjalakkuda Municipality by which the Council has agreed to guarantee a minimum return of 4 per cent on the capital invested on this scheme, and in return the Municipality would share in the excess profits of the undertaking. It is confidently hoped that the construction of this canal will materially increase the prosperity of Irinjalakkuda as a commercial centre and will also bring in a substantial additional revenue to the Municipality. I mentioned in my last budget speech that the proposal for constructing a road to serve as an outlet for the Anamallais Plantation was under contemplation. Though a detailed survey was made and estimates prepared the work has been abandoned for the present. Government found that it would not be safe to undertake this work at a cost of over Rs. 8 lakhs without adequate guarantees from the interests concerned. As it was found that the guarantees were not forthcoming Government have decided to abandon the scheme for the present.